

## **APPROPRIATIONS CONTINGENT UPON ADEQUACY OF FUNDING FOR MEDICAID BUDGET**

**SECTION 10.9G.** Notwithstanding any other provision of this act or any other provision of law, the Department of Health and Human Services shall not, under any circumstances, expend any of the funds appropriated in this act for the 2012-2013 fiscal year for the following purposes until January 1, 2013, pending a determination by the Office of State Budget and Management that there is adequate funding for the Medicaid budget for the 2012-2013 fiscal year:

- (1) Funds appropriated to the Division of Child Development and Early Education pursuant to Section 10.4 of this act for "Read NC" Early Literacy Initiative, Development Officers, and assistance to rural partnerships.
- (2) Funds appropriated to the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services for the following:
  - a. Additional psychiatric care beds at Broughton Hospital.
  - b. Additional local inpatient psychiatric beds or bed days available to local management entities or managed care organizations under the State-administered three-way contract pursuant to Section 10.10 of this act.
- (3) Funds appropriated to the Division of Public Health pursuant to Section 10.14(a)(5) of this act for local community health and wellness initiatives.

## **FUNDS FOR INPATIENT PSYCHIATRIC BEDS OR BED DAYS**

**SECTION 10.10.** Section 10.8(b) of S.L. 2011-145 reads as rewritten:

**"SECTION 10.8.(b)** Of the funds appropriated in this act to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, the sum of twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$29,121,644) for the 2011-2012 fiscal year and the sum of ~~twenty-nine million one hundred twenty-one thousand six hundred forty-four dollars (\$29,121,644)~~ thirty-eight million one hundred twenty-one thousand six hundred forty-four dollars (\$38,121,644) for the 2012-2013 fiscal year shall be allocated for the purchase of local inpatient psychiatric beds or bed ~~days-days;~~ provided, however, the Department shall not expend nine million dollars (\$9,000,000) of the funds appropriated in this section for the 2012-2013 fiscal year until January 1, 2013, pending a determination by the Office of State Budget and Management that there is adequate funding for the Medicaid budget for the 2012-2013 fiscal year, as provided in Section 10.9G of House Bill 950, 2012 Regular Session. In addition, at the discretion of the Secretary of Health and Human Services, existing funds allocated to LMEs for community-based mental health, developmental disabilities, and substance abuse services may be used to purchase additional local inpatient psychiatric beds or bed days. These beds or bed days shall be distributed across the State in LME catchment ~~areas~~areas, including any catchment areas served by managed care organizations, and according to need as determined by the Department. The Department shall enter into contracts with the LMEs and community hospitals for the management of these beds or bed days. The Department shall work to ensure that these contracts are awarded equitably around all regions of the State. Local inpatient psychiatric beds or bed days shall be managed and controlled by the LME, including the determination of which local or State hospital the individual should be admitted to pursuant to an involuntary commitment order. Funds shall not be allocated to LMEs but shall be held in a statewide reserve at the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services to pay for services authorized by the LMEs and billed by the hospitals through the LMEs. LMEs shall remit claims for payment to the Division within 15 working days of receipt of a clean claim from the hospital and shall pay the hospital within 30 working days of receipt of payment from the Division. If the Department determines (i) that an LME is not effectively managing the beds or bed days for which it has responsibility, as evidenced by beds or bed days in the local hospital not being utilized while demand for services at the State psychiatric hospitals has not reduced, or (ii) the LME has failed to comply with the prompt payment provisions of this subsection, the

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Department may contract with another LME to manage the beds or bed days, or, notwithstanding any other provision of law to the contrary, may pay the hospital directly. The Department shall develop reporting requirements for LMEs regarding the utilization of the beds or bed days. Funds appropriated in this section for the purchase of local inpatient psychiatric beds or bed days shall be used to purchase additional beds or bed days not currently funded by or through LMEs and shall not be used to supplant other funds available or otherwise appropriated for the purchase of psychiatric inpatient services under contract with community hospitals, including beds or bed days being purchased through Hospital Utilization Pilot funds appropriated in S.L. 2007-323. Not later than March 1, 2012, the Department shall report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division on a uniform system for beds or bed days purchased (i) with local funds, (ii) from existing State appropriations, (iii) under the Hospital Utilization Pilot, and (iv) purchased using funds appropriated under this subsection."